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VERNER, LIIPFERT, BERNHARD, MCPHERSON AND HAND

901-15TH STREET, N.W. WASHINGTON, D.C. 20005-2301

8280 GREENSBORO DRIVE SUITE 601 MCLEAN VIRGINIA 22102 (703) 749-6000 TELECOPIER (703) 749-6027

(202) 371-6000 TELECOPIER: (202) 371-6279 2600 TEXAS COMMERCE TOWER
600 TRAVIS
HOUSTON, TEXAS 77002
(713) 237-9034
TELECOPIER: (713) 237-1216

LAWRENCE R. SIDMAN (202) 371-6206

THAT THE JOB TO FIGNAL

October 11, 1994

VIA HAND DELIVERY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W. - Room 222
Washington, D.C. 20554

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OCT 1 1 1994

RE: PP Docket No. 93-252 <u>PP Docket No. 93-253</u> FEDERAL COMMUNICATIONS COMMUSION OFFICE OF SECRETARY

Dear Mr. Caton:

Pursuant to Section 1.1206(a)(2) of the Commission's Rules, GO Communications Corporation (formerly Columbia PCS) hereby notifies the Commission that John Malloy, Vice President and General Counsel; Richard Calder, Vice President of Business Development and Lawrence Sidman of Verner, Liipfert, Bernhard, McPherson and Hand met with William Kennard and Sara Seidman of the Office of General Counsel and Donald Gips, Andrew Sinwell and Jay Markley of the Office of Plans and Policy. The substance of the matters discussed is reflected in the pleadings filed by Columbia PCS in the above-referenced dockets, including the Commission's financial eligibility requirements for designated entities, investor protections, and anti-trafficking restrictions. The attached letter also was discussed during the course of the meeting. An original and one copy of this letter has been submitted to the Secretary.

Please direct any inquiries concerning this matter to the undersigned.

Respectfully submitted,

VERNER, LIIPFERT, BERNHARD

MCPHERSON AND HAND

By:

Lawrence R. Sidman

cc: William Kennard

Sara Seidman

Donald Gips
Andrew Sinwell
Jay Markley

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October 3, 1994

Opinions Editor Viewpoint Column RCR Publicatoins Inc. 777 East Spear Blvd. Denver, CO 80203



201 N. Union St. Suire [41] Alexandria (VA 20314-034] Tel: 703 (518-1401) Fax: 703 (518-6074)

John A. Malloy Cloe President and General Course

In response to the September 19, 1994: Viewpoint by Bill Maguire on the FCC PCS Auctions:

Dear Viewpoint Editor:

Bill Maguire's editorial in Viewpoint last week (RCR, 9/19/94) took a predictable wrong turn. It is all too easy and familiar to criticize marked departures from the status quo, particularly when the target is any branch of the Government. Fortunately for the nascent PCS industry and the American Public, policy makers at the Federal Communications Commission have adopted a regulatory framework that is considerably more enlightened.

The Commission's creation of 'entrepreneurial blocks' for certain licenses is exactly what PCS merits. The frenzy of interest in PCS is born of the realization that this service has the potential to redefine communications on a mass market level. Mr. Maguire's observations non-withstanding, rampant industry consolidation supports the wisdom of the FCC's policy. New entrants are desperately needed in telecommunications. Innovation is not over -- IT IS JUST BEGINNING!

Industry consolidation, particularly in wireless, is not good news for innovation or the consumer. Existing telecommunications companies see change on the horizon and are reacting to preserve their current economic power by getting larger and entrenching. Fortunately free market forces, technology and consumer demand will not allow any slackening in the pace of innovation for communications services. Even the unfortunate demise of S-1822 may serve as the wake up call lawmakers needed to understand what's at stake here. The evolution of communications can no longer be held back by the privileged few.

In authorizing the use of auctions to distribute spectrum licenses, Congress expressly recognized that there exists an undue concentration in the hands of dominant telecommunications companies. These historic beneficiaries of Government largesse must be forced to use their enormous resources to compete against each other rather than as barriers to market entry from outsiders. Congress sought to redress past licensing inequities by specifically directing the FCC to ensure participation by designated entitiesnamely small businesses, women and minorities. The Commission correctly determined that giving certain economic benefit to designated entities to be used in an auction designed for new entrants dramatically increases the impact of those benefits.

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No guarantee of success has been given. In fact the Commission has spread the word far and wide that broadband PCS is not for the faint of heart or the quick buck artist. This is no gold rush. This is building businesses for the long term, not panning for gold. For designated entities in particular this is about getting the unprecedented opportunity to obtain true economic power in the most important industry in the world. This is not a government give away. Winning bidders in the auction of the entrepreneur blocks will pay significantly more to the U.S. Treasury than all of the so called 'baby bells' paid for their cellular licenses in the early 1980s.

Despite the many more obstacles than presently face PCS entrepreneurs, we should remember it was MCI that cracked open the Bell System and is viewed as the landmark of entrepreneurial success in telecommunications around the world. Likewise, McCaw Cellular is the nations leading cellular provider, even though their RBOC competitors received a head-start from the FCC and free licensees. Microsoft, with a ragged band of rogue programmers, brought mighty IBM to its knees.

How can PCS entrepreneurs follow in these tracks and succeed in broadband PCS? In our opinion, the key success factor are: 1) reasonable spectrum costs resulting from the FCC's creation of entreprenerial blocks; 2) a common technology platform among all entrepreneurs; 3) common brand name; 4) passive institutional and vendor financing that allows the entrepreneur to control day to day operations; and 5) speed to market. Within this market environment, no large company will be able to match the vision, creativity, talent and drive of a band of entreprenerial competitors. As for Mr. Maguire, we wouldn't be surprised to see him as one of our first subscribers.

Sincerely,

John Malloy, Esq.

Vice President and General Counsel